



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ALHAMBRA, CALIFORNIA 91803-1331
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GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

June 29, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT NO. 5 TO AGREEMENT 64424 FOR CONTRACT SERVICES
FOR THE MANAGEMENT AND OPERATION OF THE FIVE COUNTY OF
LOS ANGELES AIRPORTS: BRACKETT FIELD, COMPTON/WOODLEY,
EL MONTE, GENERAL WM. J. FOX AIRFIELD, AND WHITEMAN
(SUPERVISORIAL DISTRICTS 1, 2, 3, AND 5)
(3 VOTES)**

SUBJECT

This action is to approve Amendment No. 5 to Agreement 64424 for the management, operation, and maintenance of the five County of Los Angeles airports: Brackett Field, Compton/Woodley, El Monte, General Wm. J. Fox Airfield, and Whiteman.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve Amendment No. 5 to Agreement 64424 authorizing changes to various contract terms and provisions including various scope of work items, increased payments to the County of Los Angeles, reduced contract costs, adoption of the current Living Wage Program requirements, and extension of the term of Agreement 64424 by five years.
2. Instruct the Chair of the Board of Supervisors to sign the enclosed Amendment No. 5 to Agreement 64424.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to request that your Board of Supervisors (Board) approve and instruct the Chair to sign Amendment No. 5 (amendment) to Agreement 64424 (agreement) for the management and operation of the five County of Los Angeles airports: Brackett

Field, Compton/Woodley, El Monte, General Wm. J. Fox Airfield, and Whiteman (County-owned airports) extending the length of the contract by five years and modifying various contract terms.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). Implementation of the recommended action will provide improved and more efficient operational processes supporting customer-oriented and efficient airport services. Implementation of the recommended action will also increase revenue to the County to support the maintenance and improvement of quality airport infrastructure.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

This amendment will increase the County's share of revenues from the five County-owned airports as well as reduce County cost for equipment acquisition and maintenance, taxes, contractor overhead fees, fuel-dispensing payment reductions, and control tower custodial services. Based on the current year percentage-of-revenue payments to the County, we anticipate an additional \$237,000 in payments per year. We also estimate based on 2009 data that County cost will be reduced by approximately \$368,000 per year. The combined financial benefit to the County is estimated to be \$605,000 annually (Airport Management Contract Fiscal Impact Summary enclosed).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The agreement was approved by your Board on January 22, 1991, and has a term of 20 years. The agreement provides the Director of Public Works or her designee two 5-year options to extend the agreement. The original term of 20 years will expire on March 31, 2011. The Department of Public Works (Public Works) and the current contractor, American Airports Corporation, mutually desire to exercise the option to extend the agreement for five years; however, several of the contract terms and provisions are out of date, and amending these terms and provisions requires your Board's approval.

Amendment No. 1 dated June 3, 1991, incorporated various provisions required by the Federal Aviation Administration. Amendment No. 2 dated July 12, 1994, authorized the contractor to guarantee its performance with either a letter of credit or a performance bond. Amendment No. 3 dated April 25, 1995, reduced the per gallon fuel flowage fee paid to the County and also reduced the base level gallons of fuel that the County based its minimum fuel-dispensing payments upon. Amendment No. 4 dated July 2, 2002, terminated Amendment No. 3, further reduced the per gallon fuel flowage fee, and no longer required the fuel-dispensing payment to be based on a minimum number of gallons sold. Amendment No. 4 also required compliance with the County's Living Wage Program and several contracting policies including jobsite safety, recycled-content paper products, contractor's responsibility and debarment, employee notification of possible Federal Earned Income Credits, and consideration for the Department of Public Social Services Greater Avenues for Independence program.

This Amendment No. 5 provides several benefits to the County including an increase in the percentage-of-revenue payments to the County from approximately 43 to 45 percent. It also eliminates the contractor's right to reduce fuel-dispensing payments to the County for discounts given to lessees or others; places a five-percent cap on the contractor's ability to recover a portion of

its overhead expenses related to special projects; eliminates the County's participation in offsetting a portion of the contractor's possessory interest tax obligation; and provides the contractor with additional guidance for several scope of work items, maintenance, and repair services that are otherwise ambiguous or silent in the current contract.

The agreement requires the contractor to provide the County with a \$2 million Irrevocable Letter of Credit as a guarantee of its performance of the terms of the agreement, including timely payments to the County. To reduce its cost associated with the letter of credit, the contractor has requested that the performance guarantee amount be reduced to \$500,000. Public Works is agreeable to reducing the amount based on American Airports Corporation's nine years of satisfactory performance and on-time payments to the County. This amendment provides for the reduced amount, but will require the contractor to reinstate the original amount of \$2 million should it ever default on the terms of the contract or in the event the contract is assigned to or otherwise becomes operated by another party.

The approval of the amendment will be in full compliance with Federal, State, and County regulations. The contract contains terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and Defaulted Property Tax Reduction Program Ordinance, Los Angeles County Code, Chapter 2.206; and the standard Board directed clauses that provide for contract termination or renegotiation.

The contractor has agreed to pay its full-time employees the current Living Wage Rate approved by your Board on February 6, 2007, and confirmed that it will comply with the County's Living Wage reporting requirements. The County's Proposition A and Living Wage Ordinance (LWO) provisions apply to the contract, as County employees can perform these contracted services. The contract complies with all of the requirements of the County Code Section 2.201. The contractor will continue to pay their full-time employees the required minimum rates of \$11.84 per hour without health benefits, or \$9.64 per hour with health benefits of \$2.20 per hour, as specified in the LWO adopted by your Board on March 15, 2007, and confirm that they comply with the County's Living Wage reporting requirements.

This amendment has been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

In accordance with Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines, approval of the recommended action does not constitute a project, and hence is not subject to the requirements of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the amendment to the agreement will result in greater retention of experienced contractor personnel through higher wages, improved contract scope of work, increased revenue for the Aviation Enterprise fund, reduced County contract cost, and required contractor compliance with all current County contracting provisions including the current Living Wage Program.

CONCLUSION

Please return three adopted copies and the signed agreement to the Department of Public Works, Aviation Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER
Director

GF:RLS:cmb

Enclosures

- c: Auditor-Controller (General Claims Division)
Chief Executive Office (Lari Sheehan)
County Assessor (Possessory Interest Division)
County Counsel (Adrienne Byers)
Executive Office

**AIRPORT MANAGEMENT CONTRACT
FISCAL IMPACT SUMMARY**

ITEM	AMOUNT	COMMENTS
Increased Percent of Revenue Payments to County	\$237,000	Based on the 2009-10 contract year-end data.
Special Project Overhead Fee Savings	\$30,000	Savings estimated by taking the difference of the current and proposed overhead rates of (15% - 5%) X \$300,000 maximum special project allotment.
Saving by Eliminating Fuel Dispensing Payment Discounts	\$85,000	Calculations gathered from Contractor's monthly Fuel Flowage breakdown for 2009.
Possessory Interest Tax – Eliminate County's Participation	\$134,000	Figure is based on 2009 Possessory Interest Tax spreadsheets and billings from Contractor.
Fuel Truck & other Vehicle Maintenance Savings	\$100,500 Fuel Truck \$ 500 Maint. 1-year \$101,000	Figures are based on 2009 Fixed Asset Invoices for Fuel Truck and Special Projects Log
Fuel Pit Maintenance Savings	\$12,000	Figure based on information gathered from the 2009 Special Projects Log.
Whiteman Air Traffic Control Tower Janitorial Services Savings	\$6,000	Figure is based on one year of charges as noted in the 2009 Special Projects Log.

Increased Revenue	\$237,000
Reduced Contract Cost	<u>\$368,000</u>
Estimated Annual County Benefit	<u>\$605,000</u>

AMENDMENT NO. 5 TO AGREEMENT 64424 FOR
MANAGEMENT, OPERATION, AND MAINTENANCE
OF THE COUNTY AIRPORTS

THIS AMENDMENT NO. 5 to AGREEMENT 64424, made and entered into this 29 day of June, 2010, effective the 1st day of April 2011 (hereinafter referred to as the EFFECTIVE DATE of this Amendment),

BY AND BETWEEN

COUNTY OF LOS ANGELES, a body
corporate and politic (hereinafter referred to as
COUNTY),

AND

AMERICAN AIRPORTS CORPORATION
(hereinafter referred to as CONTRACTOR),

WITNESSETH:

WHEREAS, COUNTY and CONTRACTOR's predecessor-in-interest entered into Agreement 64424 on January 22, 1991, for the management, operation, and maintenance of COUNTY's system of airports; and

WHEREAS, Section 51, Paragraph 1 of Agreement 64424 permits it to be modified by mutual consent of both parties; and

WHEREAS, COUNTY is authorized to enter into and carry out this Amendment No. 5 in accordance with Government Code 25536 and 25536.5; and

WHEREAS, the Director of the Department of Public Works of COUNTY, herein referred to as DIRECTOR, is the designated representative for the Board of Supervisors of COUNTY for all matters described herein; and

WHEREAS, CONTRACTOR and its predecessor-in-interest have completed over 19 years of satisfactory performance of Agreement 64424; and

WHEREAS, Section 7 of Agreement 64424 provides that CONTRACTOR may perform additional items of work not inherent to the scope of services and reduce its payment to COUNTY for the additional work, it does not allow CONTRACTOR to recover overhead expenses; and

WHEREAS, DIRECTOR and CONTRACTOR have negotiated and agree to an increase of the percentage of revenue payments to COUNTY; and

WHEREAS, Section 9 of Agreement 64424 and its Amendments provides CONTRACTOR the right to reduce fuel flowage payments to COUNTY for discounts given to Lessees or others, and also contains terms no longer consistent with Federal requirements; and

WHEREAS, CONTRACTOR and its predecessor-in-interest has consistently made its payments to COUNTY on time, and DIRECTOR is agreeable to reducing CONTRACTOR's performance guarantee amount to \$500,000 provided CONTRACTOR remain compliant with the terms and conditions of Agreement 64424 as amended and provided successors in interest achieve three years of satisfactory experience; and

WHEREAS, Section 29 of Agreement 64424 provides that COUNTY pay a portion of CONTRACTOR's possessory interest tax obligation and DIRECTOR and CONTRACTOR agree that the CONTRACTOR shall be responsible for full payment of all taxes related to periods after the Effective Date of this Amendment; and

WHEREAS, Exhibit A and Attachment C of Agreement 64424 are either silent, ambiguous, or provide insufficient guidance to CONTRACTOR on various performance requirements and items of work; and

WHEREAS, as part of this Amendment No. 5, CONTRACTOR agrees to comply with all the requirements of the current Living Wage Program, as codified in Sections 2.201.010 through 2.201.100, and later amended on February 6, 2007, to increase the COUNTY's Living Wage Program's hourly rates; and

WHEREAS, the COUNTY since the award of the original agreement and Amendments 1 through 4, has adopted contracting policies regarding, Employee Jury Service Program (February 26, 2002), Nonpayment for Unauthorized Work (October 8, 2002), Safely Surrendered Baby Law Program (May 6, 2003), Limit on Expenditures (June 26, 2003), Contractor Debarment (Revised August 9, 2005), Assignment by Contractor (Revised December 13, 2005), Defaulted Property Tax Reduction Program (October 20, 2009); and

WHEREAS, the Federal Aviation Administration has amended several of its requirements.

NOW, THEREFORE, in consideration of the foregoing recitals, the parties hereto mutually agree that Agreement 64424, as previously amended, be modified and amended as follows:

1. **SECTION 2 – TERM OF AGREEMENT** is amended to add the following at the end of Section 2(a):

Pursuant to the exercise by CONTRACTOR of its option under Section 2(b), and the extension of this Agreement by DIRECTOR as provided for therein, as of the Effective Date of the Amendment the term of this Agreement is extended to March 31, 2016, subject to the additional renewal options provided for in Section 2(b).

2. **SECTION 7 – CONTRACT SUM** is amended to add the following subsection:

7(a) Notwithstanding requirements and limitations described in this Section 7 regarding CONTRACTOR's handling of additional items of work (special projects), CONTRACTOR and COUNTY agree that CONTRACTOR incurs overhead cost in the performance and handling of special projects. CONTRACTOR is authorized to recover a portion of its overhead cost related to special projects, these costs being difficult to compute, at a rate of five percent (5%) of the approved invoice amount, excluding parts and materials acquisition.

3. **SECTION 8 – PAYMENTS FOR OPERATION AND MAINTENANCE** Beginning on the Effective Date of this Amendment No. 5, the Percentage Computation and its related Table described in subsection 8(b) shall be deleted in its entirety and replaced with the following:

(b) An amount computed as forty-five percent (45%) times the prior year's gross revenue collected from each of the five airports (Percentage Computation). *Exception:* The Percentage Computation for Fox Airfield will be applied only to gross revenue in excess of \$400,000. Gross revenue collected includes hangar and tiedown rent, lease payments, site rentals, transient parking fees, aircraft landing fees, and other miscellaneous rent, excluding revenue received from the sale of merchandise, oil, and other consumables, of which COUNTY shall receive seven percent (7%) and excluding rebilled expenses, project management fees, fuel and taxes. In addition, gross revenues do not include any reimbursement of possessory interest taxes, assessments, fees and charges from lessees, tenants and licensees, whether or not separately stated. In order to facilitate the exclusion from gross revenues of taxes, assessments, fees or charges based upon possessory interests, CONTRACTOR may deduct one hundred percent (100%) of such possessory interest taxes, assessments, fees, and charges from gross revenues.

4. **SECTION 9C – PAYMENTS FOR FUEL DISPENSING**

Section 9C shall, as of the EFFECTIVE DATE of this Amendment No. 5 to Agreement 64424, replace in its entirety Sections 9B of said Agreement; and Amendment No. 4 to same Agreement dated July 2, 2002, shall be deleted from the Agreement.

CONTRACTOR shall pay an additional payment (the Monthly Fuel Dispensing Payment) to COUNTY for managing, operating, and maintaining all COUNTY-owned fueling facilities at each airport.

CONTRACTOR shall pay the Monthly Fuel Dispensing Payment by the 10th day following the end of the preceding calendar month. In the event that full payment is not received by the 10th day following the end of the preceding calendar month, the unpaid balance will be subject to a late charge calculated on the unpaid balance at the current Federal Reserve Prime Rate plus one and one-half percent (1.5%). Monetary penalties described in this Section 9C regarding CONTRACTOR's nonperformance shall be in addition to, and due and payable with the Monthly Fuel Dispensing Payment.

The Monthly Fuel Dispensing Payment will equal the actual gallons sold multiplied by the following factor depending on the type of fuel sold: Avgas = \$0.30 per gallon; and Jet-A = \$0.35 per gallon.

COUNTY and CONTRACTOR acknowledge that all payments related to fuel dispensing have been made in full, and that CONTRACTOR has no further liability to COUNTY for payments prior to the EFFECTIVE DATE of this Amendment No. 5.

CONTRACTOR may request reductions to its Monthly Fuel Dispensing Payment where charitable donations of fuel are given by CONTRACTOR to organizers of special airport events, such as air shows or open houses. All requests for reductions of the Monthly Fuel Dispensing Payment must be made to the DIRECTOR in writing and in advance of such special event. The DIRECTOR will not approve requests for reductions of the Monthly Fuel Dispensing Payment for fuel price discounts given to Lessees or others as part of separate agreements negotiated by COUNTY or CONTRACTOR.

5. **SECTION 12 – INDEPENDENT CONTRACTOR STATUS** is deleted in its entirety and replaced with new Section 12A that reads as follows:

12A. **INDEPENDENT CONTRACTOR**

This Agreement is by and between the COUNTY and CONTRACTOR and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership,

joint venture or association, as between COUNTY and CONTRACTOR, except as otherwise set forth herein. CONTRACTOR understands and agrees that all persons furnishing services on behalf of CONTRACTOR pursuant to this Agreement are, for purposes of Worker's Compensation Liability, employees solely of CONTRACTOR and not of COUNTY. CONTRACTOR shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services on behalf of CONTRACTOR pursuant to this Agreement.

6. **SECTION 15 – PERFORMANCE GUARANTEE** New Subsections 15(b) and 15(c) are added and read in their entirety as follows:

- (b) In the event CONTRACTOR at the Effective Date of this Amendment, is not in default of any of the monetary terms and conditions of Agreement 64424, and is not in material default of any of the material nonmonetary terms of Agreement 64424, the Performance Guarantee amount shall be reduced to \$500,000; provided, however, that the Performance Guarantee shall be increased to \$2 million upon demand by the DIRECTOR in the event that after the Effective Date that CONTRACTOR is in default of any of the monetary terms and conditions of Agreement 64424 or is in material default of any of the material nonmonetary terms of Agreement 64424.
- (c) In the event CONTRACTOR desires to assign the Agreement, each successor-in-interest to this Agreement 64424 shall be obligated to provide COUNTY with an irrevocable letter of credit in the amount of \$2 million prior to and as a condition of the assignment of Agreement 64424. After a successor-in-interest has acted under this Agreement 64424 for three years without any default in the monetary terms and conditions of this Agreement and without being in material default of any of the material nonmonetary terms of this Agreement, such successor may request in writing to the DIRECTOR a reduction of the Performance Guarantee amount. In no event shall the DIRECTOR approve a Performance Guarantee amount less than \$500,000.

7. **SECTION 16 - ALTERATIONS AND REPAIRS** is amended to add Section 16(c) as follows:

- (c) Notwithstanding any other provisions of this Agreement 64424 to the contrary, including, but not limited to

Section 16, EXHIBIT A-1 and Attachment C, CONTRACTOR shall be responsible, at CONTRACTOR's expense, for repair, maintenance and minor replacements of the equipment, structures or other physical improvements upon the premises. CONTRACTOR shall not be responsible, and COUNTY shall be responsible, for capital improvements or for replacements of equipment, structures, or other physical improvements or of the structural elements of the structures or other physical improvements. However, in the event any item requires replacement by reason of the failure of CONTRACTOR properly to maintain such item, CONTRACTOR shall be responsible for such replacement.

8. **SECTION 24(a)** is amended to delete the first sentence thereof and to substitute the following:

In its capacity as property management agent for the COUNTY, CONTRACTOR shall give COUNTY Written Notice of Intention to recommend leasing any portion of the premises.

9. **SECTION 24(c) – ASSIGNMENTS** is deleted in its entirety and replaced with new Section 24(c) that reads as follows:

C. **ASSIGNMENT AND DELEGATION**

1. CONTRACTOR shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of COUNTY, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, COUNTY consent shall require a written amendment to this Agreement, which is formally approved and executed by CONTRACTOR and the Board or if delegated by the Board, the DIRECTOR and CONTRACTOR. Any payments by COUNTY to any approved delegate or assignee on any claim under this Agreement shall be deductible, at COUNTY's sole discretion, against the claims which CONTRACTOR may have against COUNTY arising out of the Agreement and relating to the same matter.
2. Shareholders, partners, members, or other equity holders of CONTRACTOR may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of CONTRACTOR to any person(s),

corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Amendment (except for transfers to spouse or lineal descendants in the event of death of a natural controlling person), such disposition is an assignment requiring the prior written consent of COUNTY in accordance with applicable provisions of this Agreement.

Any assumption, assignment, delegation, or takeover of any of CONTRACTOR's duties, responsibilities, obligations, or performance of same by any entity other than CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without COUNTY's express prior written approval, shall be a material breach of this Agreement, which may result in the suspension or termination of this Agreement. In the event of such a termination, COUNTY shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default of CONTRACTOR.

10. **SECTION 29 – TAXES AND ASSESSMENTS**, and the modification of Section 29 set forth in that certain letter dated June 19, 1996, from the Department of Public Works to Comarco, Inc., are deleted in their entirety and replaced with new Section 29A that reads as follows:

29A. **TAXES AND ASSESSMENTS**

Subject to Section 30 relating to contests, CONTRACTOR shall pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the State of California, COUNTY, City or any tax or assessment-levying body upon any interest in this Agreement or any possessory right which CONTRACTOR may have in or to the premises covered hereby or improvements thereon by reason of its possessory rights, use or occupancy thereof, or otherwise, as well as all taxes, assessments, fees, and charges based on the value of goods, merchandise, fixtures, appliances, equipment owned or used by it in or about said premises. If by law any such taxes or assessments relating to a fiscal period of the taxing authority beginning after the Effective Date of this Amendment, a part of which is included within the term of the Agreement, same shall be appropriately apportioned between COUNTY and CONTRACTOR.

The provisions of this Section 29A shall apply only (i) to taxes, assessments, fees, or charges for periods beginning after the Effective Date of this Amendment and (ii) to the prorated portion of

taxes, assessments, fees, or charges for the balance of the fiscal period ending June 30, 2011. It is expressly understood that the provisions of Section 29, as in effect prior to the Effective Date of this Amendment shall govern all possessory interest taxes, assessments, fees or charges assessed, incurred, or relating to any period prior to the Effective Date of this Amendment. It is further expressly agreed that CONTRACTOR may bill and charge lessees, tenants or licensees for their portion of the possessory interest taxes, assessments, fees or charges, charged to CONTRACTOR whether separately stated or included within the rent or fees payable by the lessee, tenant or licensee.

11. **SECTION 46 – NOTICES** is deleted in its entirety and replaced by the following:

- 46.1 All notices, consents, requests, demands, approvals, and other communications required or desired to be given by the parties hereto shall be sent in writing and shall be deemed sufficiently given when same is personally delivered or deposited in the United States Mail, with return receipt requested and sufficient postage prepaid, registered or certified mail, to the parties at the addresses within this Section (or at such other addresses as shall be given in writing by either party to the other). CONTRACTOR shall be required to maintain, at all times, a mailing address within the State of California

COUNTY: Richard L. Smith, Chief, Aviation Division
County of Los Angeles
Department of Public Works
P.O. Box 1460
Alhambra, CA 91802-1460

CONTRACTOR: Edward R. Sause, President
American Airports Corporation
2425 Olympic Boulevard, Suite 650 East
Santa Monica, CA 90404

12. **SECTION 51G - MISCELLANEOUS** is amended to delete the first sentence thereof and to substitute the following:

Nothing contained in this Agreement shall be construed to create the relationship of principal and agent, except as set forth herein, or of partnership, or of joint venture, or of any association between COUNTY and CONTRACTOR.

13. **SECTION 52A – COMPLIANCE WITH LIVING WAGE PROGRAM** is deleted in its entirety and is replaced in its entirety with Section 52A as provided in Attachment E.1 attached hereto and made a part of Agreement 64424.

14. **SECTION 52E – CONTRACTOR'S RESPONSIBILITY AND DEBARMENT** is deleted in its entirety and replaced with the following provision:

E. **CONTRACTOR'S RESPONSIBILITY AND DEBARMENT**

1. **Responsible Contractor**

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is COUNTY's policy to conduct business only with responsible Contractors.

2. **Chapter 2.202 of County Code**

Contractor is hereby notified that, in accordance with Chapter 2.202 of County Code, if COUNTY acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, COUNTY may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, being awarded, and/or performing work on COUNTY contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and suspend or terminate any or all existing contracts Contractor may have with COUNTY.

3. **Non-responsible Contractor**

COUNTY may debar a Contractor if the Board finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with COUNTY or a nonprofit corporation created by COUNTY; (2) committed an act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with COUNTY, any other public entity, or a nonprofit corporation created by COUNTY, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against COUNTY or any other public entity.

4. Contractor Hearing Board

- a. If there is evidence that Contractor may be subject to debarment, Public Works will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before Contractor Hearing Board.
- b. Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, Contractor Hearing Board will prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and Public Works shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- c. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of Contractor Hearing Board.
- d. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. COUNTY may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of COUNTY.

- e. Contractor Hearing Board will consider a request for review of a debarment determination only where (1) Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by Contractor Hearing Board pursuant to the same procedure as for a debarment hearing.
- f. Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of Contractor Hearing Board.

5. Subcontractors of Contractor

These terms shall also apply to Subcontractors of COUNTY Contractors.

15. **SECTION 521 – COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM** New Subsection 521 is added and incorporated into the Agreement and reads in its entirety as follows:

I. COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

1. Jury Service Program

This Agreement is subject to the provisions of COUNTY's ordinance entitled Contractor Employee Jury Service (Jury Service Program) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code. The attached Employer Certification and Application for Exception form, completed and submitted by CONTRACTOR is attached hereto and incorporated herein (Attachment E.2).

2. Written Employee Jury Service Policy

- a. Unless CONTRACTOR has demonstrated to COUNTY's satisfaction either that CONTRACTOR is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of County Code), CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from CONTRACTOR, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employee deposit any fees received for such jury service with CONTRACTOR or that CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.
- b. For purposes of this Section, "CONTRACTOR" means a person, partnership, corporation, or other entity which has a contract with COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full-time employee of CONTRACTOR. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any Subcontractor to perform services for COUNTY under this Agreement, the Subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
- c. If CONTRACTOR is not required to comply with the Jury Service Program when this Amendment commences, CONTRACTOR shall have a continuing

obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of "CONTRACTOR" or if CONTRACTOR no longer qualifies for an exception to the Jury Service Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. COUNTY may also require, at any time during this Agreement and at its sole discretion, that CONTRACTOR demonstrate to COUNTY's satisfaction that CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that CONTRACTOR continues to qualify for an exception to the Jury Service Program.

- d. CONTRACTOR's violation of this Section of this Agreement may constitute a material breach of this Agreement. In the event of such material breach, COUNTY may, in its sole discretion, suspend or terminate this Agreement and/or bar CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

16. **SECTION 52J – NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/SUSPENSION/TERMINATION OF CONTRACT** New Subsection 52J is added and incorporated into the Agreement and reads in its entirety as follows:

J. **NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/SUSPENSION/TERMINATION OF CONTRACT**

CONTRACTOR shall have no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by CONTRACTOR after the expiration, suspension, or other termination of this Agreement. Should CONTRACTOR receive any such payment, it shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. Payment by COUNTY for services rendered after expiration/suspension/termination of this Agreement shall not constitute a waiver of COUNTY's right to recover such payment from CONTRACTOR. This provision shall survive the expiration/suspension/termination of this Agreement.

17. **SECTION 52K – SAFELY SURRENDERED BABY LAW PROGRAM** New Subsection 52K is added and incorporated into the Agreement and reads in its entirety as follows:

K. **SAFELY SURRENDERED BABY LAW PROGRAM**

1. **CONTRACTOR's Acknowledgment of County's Commitment to the Safely Surrendered Baby Law**

CONTRACTOR acknowledges that COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. CONTRACTOR understands that it is COUNTY's policy to encourage all COUNTY Contractors to voluntarily post COUNTY's "Safely Surrendered Baby Law" poster in a prominent position at CONTRACTOR's place of business. CONTRACTOR will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. COUNTY's Department of Children and Family Services will supply CONTRACTOR with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

2. **Notice to Employees Regarding the Safely Surrendered Baby Law**

CONTRACTOR shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in COUNTY, and where and how to safely surrender a baby. The fact sheet is set forth in Attachment E.3 of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

18. **SECTION 52L – DEFAULTED PROPERTY TAX REDUCTION PROGRAM** Subsection 52L is added and incorporated into the Agreement and reads in its entirety as follows:

P. **DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

1. **Defaulted Property Tax Reduction Program**

This AGREEMENT is subject to the provisions of COUNTY's ordinance entitled Defaulted Property Tax Reduction

Program ("Defaulted Tax Program") as codified in Section 2.206 of the Los Angeles County Code (Attachment E.4).

2. CONTRACTOR's Warranty of Compliance with County's Defaulted Property Tax Reduction Program

CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals and businesses that benefit financially from the COUNTY through any contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the COUNTY and its taxpayers.

Unless CONTRACTOR qualifies for an exemption or exclusion, CONTRACTOR warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

3. Termination for Breach of Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Failure of CONTRACTOR to maintain compliance with the requirements set forth in Paragraph 2, above, shall constitute default under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure of CONTRACTOR to cure such default within 10 days of notice shall be grounds upon which COUNTY may terminate this Agreement and/or pursue debarment of CONTRACTOR, pursuant to County Code Chapter 2.206.

19. **SECTION 60 – TRANSFER OF LEASES/DEPOSITS** is deleted in its entirety and replaced with new Section 60A that reads as follows:

60A. TRANSFER OF LEASES/DEPOSITS

At commencement of performance hereunder, COUNTY will transfer any security deposits, pre-paid lease payment and other advances from tenants to COUNTY to CONTRACTOR who shall hold said deposits, prepaid lease payments and other advances in trust as COUNTY's property management agent in the form of credit or credits to the first three months of rents due.

20. **EXHIBIT A – STATEMENT OF WORK** is deleted in its entirety and replaced with new Exhibit A-1 attached hereto and made a part thereof Agreement 64424.
21. **ATTACHMENT C – MAINTENANCE AND REPAIR SERVICES** Sheet 10 of 19 is deleted in its entirety and replaced with new Sheet 10A of 19 attached hereto and made a part thereof Agreement 64424.
22. This Amendment No. 5 to Agreement 64424 shall be effective as of April 1, 2011.
23. It is mutually understood and agreed that all other terms and conditions and provisions of the original Agreement 64424 and its previous amendments shall remain in full force and effect, except as herein expressly modified.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, the CONTRACTOR has executed this Amendment No. 5 to Agreement 64424, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 5 to be executed on its behalf on the date first written above.



County of Los Angeles

By Gloria Molina
Chair, Board of Supervisors

Attest:

SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of
the County of Los Angeles

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

By Anna P. P. P.
Deputy

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By Anna P. P. P.
Deputy

APPROVED AS TO FORM:
BY COUNTY COUNSEL

ANDREA SHERIDAN ORDIN

By Andrea Sheridan Ordin
Deputy

AGREED:

AMERICAN AIRPORTS CORPORATION

Thomas J. P.
President

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

33

JUN 29 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On 5-13-10 before me, ENGRID SMILEY, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared EDWARD R. SAUSE
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature Engrid Smiley
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Amendment No 5 to Agreement 64424 for management, operation, and maintenance of the County airports

Document Date: 5-13-10 Number of Pages: 17

Signer(s) Other Than Named Above: Exhibits A-1-1 A-1-3 A-1-2 A-1-4 attachment C

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☒ Corporate Officer — Title(s): President
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

American Airports Corp.

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

EXHIBIT A-1
STATEMENT OF WORK

CONTRACTOR shall, except as otherwise provided in Section 16(c):

1. Manage and operate the airports for the use and benefit of the COUNTY and the general public seven days a week, 24 hours a day, in a safe and efficient manner and maintain them in a clean, orderly, safe, and operational condition in conformity with all applicable Federal, State, and Local laws, rules and regulations.
2. Operate, maintain, repair, and inspect all airport grounds, facilities, buildings; and provide all services as are customary and usual to such operations, including, but not limited to those described herein. This item of work shall include at least annual inspection of aircraft storage hangars and daily inspection of airport grounds.
 - a. The COUNTY in the fulfillment of its contract oversight responsibilities will provide contractor with copies of reports resulting from COUNTY inspection of the contractor's operations and maintenance activities. The contractor shall correct noted discrepancies in accordance with the guidance provided in Attachment C and report in a method acceptable to the COUNTY the corrective actions taken.
3. Maintain a written log of all complaints received, i.e., those concerning employee appearance, attitude, service, lack of facility maintenance, or anything in connection with airport operations, maintenance, or fuel facility operation. The log shall contain the date of the occurrence and what action was taken or the reason for nonaction.
4. Operate or provide for the operation, maintenance, regulatory compliance, and repair of the aircraft fueling facilities and equipment, maintaining responsibility for product quality control and provide continuous service 24 hours, 7 days a week, with no less than one person.
 - a. The CONTRACTOR may use the COUNTY's existing fleet of mobile fueling vehicles until the end of its useful life, but shall operate, maintain, and repair these vehicles at its sole expense. CONTRACTOR shall provide its own mobile refueling vehicles as the COUNTY's fleet is reduced through attrition.
 - b. CONTRACTOR is responsible for all costs associated with the operation, maintenance, and repair of fueling facilities required to maintain serviceability of the fueling facilities at all times. COUNTY as owner of the fueling facilities will be responsible for capital improvement or replacement of the fueling facilities only. Said

capital improvements specifically exclude repair or replacement of mechanical components that are subject to normal wear or operator error.

5. Operate or provide for the operation, maintenance, and repair of Crash Fire Rescue (CFR) vehicles, including no less than one trained person available for emergency response at night and no less than 2 trained persons available for emergency response during daylight hours, 7 days a week and 24 hours a day. Maintain a CFR response log indicating time and method of notification, response time to scene, and what occurs. Contact appropriate agencies and prepare an Incident/Accident Report.
6. To the extent permitted by law, enforce on behalf of the DIRECTOR all provisions of the Airport Ordinance (Chapter 19.04, Title 19, Los Angeles County Code) and other applicable statutes or rules.
7. Acting on behalf of the COUNTY as COUNTY's property management agent, CONTRACTOR shall administer and monitor existing and future agreements and leases with "Airport Tenants" (i.e., Fixed Base Operators, concessionaires, etc.) to insure compliance with the provisions of each respective agreement or lease. Provide the DIRECTOR monthly reports on the current status of each existing agreement and lease. Perform on behalf of the COUNTY all obligations of the COUNTY and insure all obligations of the airport tenants are enforced, subject to the approval of DIRECTOR and the Board of Supervisors. Examples of obligations of the COUNTY and airport tenants can be found in current airport leases.
8. Acting on behalf of the COUNTY as COUNTY's property management agent, CONTRACTOR shall develop and submit recommended fee schedules and rental rates annually for COUNTY approval. Recommendations will be submitted to the DIRECTOR and the Aviation Commission prior to April 1st of each year.
9. Develop and submit annually by April 1st of each year recommendations for capital infrastructure, facility improvements, and special projects.
10. Acting on behalf of the COUNTY as COUNTY's property management agent, CONTRACTOR shall Prepare and negotiate new agreements and leases on a timely basis, subject to the approval of the DIRECTOR and the Board of Supervisors. Provide the DIRECTOR monthly reports on the status of new leases and agreement negotiations.
11. Acting on behalf of the COUNTY as COUNTY's property management agent, CONTRACTOR shall collect and reconcile all fees and payments due, using uniform procedures to provide accountability, control, and security of funds. Provide the DIRECTOR a monthly report in a format

acceptable to the DIRECTOR on all delinquent accounts and the methods being utilized to collect the delinquencies.

12. Prepare and submit reports and statistical data requested by the DIRECTOR of Public Works and the Board of Supervisors in a format acceptable to the DIRECTOR. For example, monthly financial and operational reports, etc. The DIRECTOR will distribute copies of this information to the Aviation Commission.
13. Attend monthly meetings of the Aviation Commission and provide explanations of the CONTRACTOR's operational reports and responses to concerns of the Commission.
14. Attend meetings as required by the DIRECTOR or as may be requested by various groups, organizations, and governmental agencies, including but not limited to airport associations, airport users, safety, planning, and community meetings.
15. Prepare and submit for approval an annual operating budget for each airport independent of the others by December 1st of each year for the following July - June Fiscal Year. The Annual Operating Budget shall itemize all anticipated revenues and operating expenses with supporting records and documents.
16. Perform as necessary to insure a positive image for the airports by being responsive to community complaints and inquiries and organizing annual airport open houses or other events, which foster good community relations. Copies of community complaints and inquiries and the Proposer's responses should be forwarded to the DIRECTOR within five days. Maintain a community complaint log listing date, time, nature, and disposition of complaints.
17. Provide the Public Relations and Advocacy Offices of the Department of Public Works timely information, as requested by them, to answer inquiries by the news media. Maintain media contact log. Examples of pertinent information include aircraft accidents, airspace problems, construction projects, damaged infrastructure, disaster-related concerns, etc.
18. CONTRACTOR may be requested to perform additional items of work, including, but not necessarily limited to the development of a comprehensive plan for the development of each airport consistent with COUNTY planning and development to date. Any such additional work will be separately funded in accordance with Section 7 of Agreement 64424.

- a. With the concurrence of DIRECTOR, CONTRACTOR may solicit proposals for capital improvements and property development, and may evaluate such proposals for overall consistency with CONTRACTOR's comprehensive plans. CONTRACTOR will provide the results of its evaluations to DIRECTOR. In the event CONTRACTOR shall have alternative plans to conduct its own capital improvement or development projects, which are inconsistent with any effort proposed by a third party, CONTRACTOR may submit such proposals and shall be granted by the DIRECTOR a right to match or better the proposals for all capital developments subject to future review and possible approval by COUNTY's Board of Supervisors.

ATTACHMENT C
MAINTENANCE AND REPAIR SERVICES

Maintain and repair (except as otherwise provided in Section 16(c) structurally and otherwise) in a good workmanlike manner and/or enforce the obligations of any tenant or leaseholder to maintain and repair in such manner:

1. All runways, ramps, taxiways, and parking lots, including daily removal of foreign object debris and at least monthly sweeping of all airport pavement and roads.
2. All airport lighting, markings, and signage.
3. All navigation aids and weather equipment not maintained by the Federal Aviation Administration or other outside agencies.
4. All vehicles, equipment, machinery, and tools owned by COUNTY and CONTRACTOR.
5. All airport grounds, including without limitation perimeter fences, weeding, grass cutting, landscape maintenance of operational and public areas, rodent and bird abatement, and removing or topping trees where and when necessary.
 - a. At the DIRECTOR's request, and at the CONTRACTOR's expense, CONTRACTOR shall procure the services of a COUNTY-approved landscape maintenance vendor to maintain airport grounds or any portion thereof.
6. All airport buildings and structures including without limitation plumbing, painting, electrical, sprinkler, heating and air conditioning systems, roofing, fixtures, furnishings, apparatus, and equipment.
7. Provide janitorial services for the administration offices, terminal buildings, fire stations, airport maintenance buildings, COUNTY-owned air traffic control towers, and all public restrooms as required by normal use.
 - a. At the DIRECTOR's request, and at the CONTRACTOR's expense, CONTRACTOR shall procure the services of a COUNTY-approved janitorial services vendor to maintain and clean public restrooms.
8. Aircraft storage hangars, as needed, or upon completion of annual hangar inspections.

EXHIBIT D

PROVISIONS REQUIRED BY FAA

1. The CONTRACTOR, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Agreement, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the CONTRACTOR shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. The CONTRACTOR, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; (3) that the CONTRACTOR shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. That in the event of breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate the Agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.
4. CONTRACTOR shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the CONTRACTOR may be allowed to make reasonable

and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof, and in the event of such non-compliance, the COUNTY shall have the right to terminate this Lease Agreement and the estate hereby created without liability therefore or at the election of the COUNTY or the United States either or both said Governments shall have the right to judicially enforce Provisions.
6. CONTRACTOR agrees that it shall insert the above five provisions in any (lease agreement, contract, etc.) which said CONTRACTOR grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises herein contracted for.
7. The CONTRACTOR assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The CONTRACTOR assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. The CONTRACTOR assures that it will require that its covered suborganizations provide assurances to the CONTRACTOR that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR 152, Subpart E, to the same effect.
8. The COUNTY reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the CONTRACTOR and without interference or hindrance.
9. The COUNTY reserves the right, but shall not be obligated to the CONTRACTOR to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the CONTRACTOR in this regard.
10. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the COUNTY and the United States, relative to the development, operation or maintenance of this airport. Failure of the CONTRACTOR to comply with the requirements of any existing or future agreement between the CONTRACTOR and the United States, which failure shall continue after reasonable notice to take appropriate corrective action, shall be cause for immediate termination or the rights hereunder.
11. There is hereby reserved to the COUNTY, its successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein contracted for. This public

right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the (official name) airport.

12. CONTRACTOR agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.
13. The CONTRACTOR, by accepting this, expressly agrees for itself, its successors, and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation 1020 feet at Brackett Field, 117 feet at Compton Airport, 316 feet at El Monte Airport, 2369 feet at General Wm. J. Fox Airfield, and 1022 feet at Whiteman Airport. In the event the aforesaid covenants are breached, the owner reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the CONTRACTOR.
14. The CONTRACTOR, by accepting this Agreement, agrees for itself, its successors, and assigns that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from Brackett, Compton, El Monte, General Wm. J. Fox, and Whiteman Airports or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of the CONTRACTOR.
15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of U.S.CODE 40103(e) AND 47107 (a)(4).
16. This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport.
17. The CONTRACTOR agrees to operate the airport in accordance with the obligations of the COUNTY to the Federal Government under the Grant Agreements listed in Exhibit D-2. In furtherance of this general covenant, but without limiting its general applicability, the CONTRACTOR specifically agrees to operate the airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without discrimination; to provide space on the airport, to the extent available; and to grant rights and privileges for use of the landing area facilities of the

airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations on the airport.

18. The COUNTY reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent the Lessee from erecting, or permitting to be erected, any building or other structures on the airport which, in the opinion of the COUNTY, would limit the usefulness of the airport or constitute a hazard to aircraft.
19. The CONTRACTOR will furnish services on a reasonable and not unjustly discriminatory basis to all aeronautical users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the CONTRACTOR may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. Tenants, subtenants, and subcontractors providing aeronautical services and products will be made subject to this provision.
20. The CONTRACTOR will conform to federal aviation administration safety and security rules and regulations regarding the use of airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. In order to prevent security breaches and avoid aircraft incursions and vehicle and pedestrian deviations; will complete and pass an airfield safe driving instruction program when offered to required by the airport owner; will be subject to penalties as prescribed by the airport owner for violations of airport safety and security requirements; and will ensure that others with access to the airport operations area are subject to this requirement.

A. COMPLIANCE WITH COUNTY'S LIVING WAGE PROGRAM

1. Living Wage Program

This Contract is subject to the provisions of County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached hereto as Form LW-1 and incorporated by reference into and made a part of this Contract.

2. Payment of Living Wage Rates

a. Unless Contractor has demonstrated to County's satisfaction either that Contractor is not an "Employer" as defined under the Living Wage Program (Section 2.201.020 of County Code) or that Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of County Code), Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to County, including, without limitation, "Travel Time" as defined below in subsection 5 of this Section 9.B under this Contract:

- (1) Not less than \$11.84 per hour if, in addition to the per-hour wage, Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
- (2) Not less than \$9.64 per hour if, in addition to the per-hour wage, Contractor contributes at least \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. Contractor will be deemed to have contributed \$2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through County Department of Health Services Community Health Plan. If, at any time during this Contract, Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits, Contractor shall be required to pay its Employees the higher hourly living wage rate.

b. For purposes of this Section, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under this Contract. If Contractor uses any subcontractor to perform services for County under this Contract, the subcontractor shall be subject to the provisions of this Section. The provisions of this Section shall be

EXHIBIT E.1

inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of Contractor under the laws of California, and who is providing full-time services to Contractor, some or all of which are provided to County under this Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.

- c. If Contractor is required to pay a living wage when this Contract commences, Contractor shall continue to pay a living wage for the entire term of this Contract, including any option period.
- d. If Contractor is not required to pay a living wage when this Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor shall immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for an exception to the Living Wage Program. In either event, Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of this Contract, including any option period. County may also require, at any time during this Contract and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for an exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor shall immediately be required to pay the living wage for the remaining term of this Contract, including any option period.
- e. For purposes of Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Contract, "Travel Time" shall have the following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Contract, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if Contractor pays the Employee any amount for that time or if California law requires Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different contracts between Contractor and County (of which both contracts are subject to the Living Wage

EXHIBIT E.1

Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if Contractor pays the Employee any amount for that time or if California law requires Contractor to pay the Employee any amount for that time.

3. Contractor's Submittal of Certified Monitoring Reports

Contractor shall submit to County certified monitoring reports at a frequency instructed by County. The certified monitoring reports shall list all of Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of Contractor's current health care benefits plan, and Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by County, or any other form approved by County which contains the above information. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor shall promptly provide such information. Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

4. Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims

During the term of this Contract, if Contractor becomes aware of any labor law/payroll violations or any complaint, investigation, or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours, and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), Contractor shall immediately inform County of any pertinent facts known by Contractor regarding the same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of Contractor's contract with County, but instead applies to any labor law/payroll violation or claim arising out of any of Contractor's operation in California.

5. County Auditing of Contractor Records

Upon a minimum of 24 hours' written notice, County may audit, at Contractor's place of business, any of Contractor's records pertaining to this Contract, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of five years from the date of final payment under this Contract. Authorized agents of County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

6. Notifications to Employees

Contractor shall place County-provided living wage posters at each of Contractor's place of business and locations where Contractor's Employees are working. Contractor shall also distribute County-provided notices to each of its Employees at least once per year. Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

7. Enforcement and Remedies

If Contractor fails to comply with the requirements of this Section, County shall have the rights and remedies described in this Section in addition to any rights and remedies provided by law or equity.

a. Remedies For Submission of Late or Incomplete Certified Monitoring Reports: If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of this Contract. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

- (1) Withholding of Payment: If Contractor fails to submit accurate, complete, timely, and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- (2) Liquidated Damages: It is mutually understood and agreed that Contractor's failure to submit an accurate, complete, timely, and properly certified monitoring report will result in

EXHIBIT E.1

damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including, but not limited to, being late, inaccurate, incomplete, or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of \$100 per monitoring report for each day until County has been provided with a properly prepared, complete, and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due to Contractor.

- (3) Termination: Contractor's failure to submit an accurate, complete, timely, and properly certified monitoring report may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, terminate this Contract.

b. Remedies for Payment of Less Than the Required Living Wage: If Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of this Contract. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

- (1) Withholding Payment: If Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due to Contractor the aggregate difference between the living wage amounts Contractor was required to pay its Employees for a given pay period and the amount actually paid to the Employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- (2) Liquidated Damages: It is mutually understood and agreed that Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages

EXHIBIT E.1

being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages of \$50 per Employee per day for each and every instance of an underpayment to an Employee. County may deduct any assessed liquidated damages from any payments otherwise due to Contractor.

- (3) Termination: Contractor's failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, terminate this Contract.
- (4) Debarment: In the event Contractor breaches a requirement of this Section, County may, in its sole discretion, bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, in accordance with Los Angeles County Code Section 2.202, Determinations of Contractor Nonresponsibility and Contractor Debarment.

8. Use of Full-Time Employees

Contractor shall assign and use full-time Employees of Contractor to provide services under this Contract unless Contractor can demonstrate to the satisfaction of County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under this Contract. It is understood and agreed that Contractor shall not, under any circumstance, use non-full-time Employees for services provided under this Contract unless and until County has provided written authorization for the use of same. Contractor submitted with its proposal a full-time-Employee staffing plan. If Contractor changes its full-time-employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

9. Contractor Retaliation Prohibited

Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit,

EXHIBIT E.1

or any statutory benefit for any Employee, person, or entity who has reported a violation of the Living Wage Program to County or to any other public or private agency, entity, or person. A violation of the provisions of this paragraph may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, terminate this Contract.

10. Contractor Standards

During the term of this Contract, Contractor shall maintain business stability, integrity in employee relations, and the financial ability to pay a living wage to its employees. If requested to do so by County, Contractor shall demonstrate to the satisfaction of County that Contractor is complying with this requirement.

11. Neutrality in Labor Relations

Contractor shall not use any consideration received under this Contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

EXHIBIT E.2
ATTACHMENT

CHANGE ORDER - COUNTY CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM

AGREEMENT NO. 64424

1. Instructions to Contractor

On February 26, 2002, the Los Angeles County Board of Supervisors adopted County Code Chapter 2.203, creating the County Contractor Employee Jury Service Program (Program), and making the determination that it is appropriate to require that businesses with which the County contracts possess reasonable jury service policies. The Program applies to existing County contracts when they come up for renewal. Please sign this Change Order to incorporate the Program in your agreement. Complete and sign the attached Employer Certification and Application for Exception form. (See below.) Submit all documents to:

County of Los Angeles Department of Public Works
Administrative Services Division
Contracting Services Section
P.O. Box 1460
Alhambra, California 91802-1460

2. Exceptions to Program

Contractor must sign this Change Order and the attached Employer Certification and Application for Exception form as a condition of agreement renewal. If the contractor believes it is not presently subject to the Program requirements, it may request an exception using the form:

- (a) If the contractor will not receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts, the contractor is not required to comply with the Program.
- (b) An exception applies to certain small businesses that have ten or fewer employees; have annual gross revenues in the preceding 12 months which, if added to the annual amount of this contract are less than \$500,000; and are not an affiliate or subsidiary of a business dominant in its field of operation.
- (c) An exception applies to contractors that possess a collective bargaining agreement that expressly supersedes the provisions of the Program. The contractor is subject to any provision of the Program not expressly superseded by the collective bargaining agreement.

If one or more of the above conditions applies to your firm, please complete Part I of the attached Employer Certification and Application for Exception form. Upon reviewing the application, the County will determine, in its sole discretion, whether the contractor must comply with the Program. The County's decision will be final.

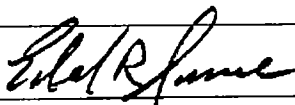
3. Acknowledgment and Change Order for Contract Extension

- a. The parties agree that effective upon execution of this Change Order, the contract referenced above shall be subject to the County's Program, Los Angeles County Code Sections 2.203.010 through 2.203.090, and that this Change Order shall be deemed incorporated in the contract.

EXHIBIT E.2

- b. Unless contractor has demonstrated to the County's satisfaction either that contractor is not a Contractor as defined under the Program (Section 2.203.020 of the County Code) or that contractor qualifies for an exception to the Program (Section 2.203.070 of the County Code), contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employee's regular pay the fees received for jury service.
- c. For purposes of the Program, "Contractor" means a person, partnership, corporation, or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard and is approved as such by the County. If contractor uses any subcontractor to perform services for the County under this agreement, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Change Order shall be inserted into any such subcontract agreement.
- d. This Change Order shall be effective on the commencement of the first option year following the date of execution. If contractor is not required to comply with the Program on the date of execution, contractor shall have a continuing obligation to review the applicability of its "exception status" from the Program, and contractor shall immediately notify County if contractor at any time either comes within the Program's definition of "Contractor" or if contractor no longer qualifies for an exception to the Program. In either event, contractor shall immediately implement a written policy consistent with the Program. The County may also require, at any time during this agreement and at its sole discretion, that contractor demonstrate to the County's satisfaction that contractor either continues to remain outside of the Program's definition of "Contractor" and/or that contractor continues to qualify for an exception to the Program.
- e. Contractor's violation of this Change Order may constitute a material breach of this agreement. In the event of such material breach, County may, in its sole discretion, terminate this agreement and/or bar contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

Agreed to on behalf of the Contractor by:

Print Name: Edward R. Sause	Title: President
Signature: 	Date: March 10, 2010

COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM APPLICATION FOR EXCEPTION AND CERTIFICATION FORM

This contract is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All contractors and subcontractors must complete this form to either (1) request an exception from the Program requirements or (2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

Company Name: American Airports Corporation			
Company Address: 2425 Olympic Blvd, Suite 650 East			
City: Santa Monica	State: CA	Zip Code: 90404	
Telephone Number: 310-752-0555			
(Type of Goods or Services): Airport Management			

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (you must attach documentation to support your claim). If the Jury Service Program applies to your business, complete Part II to certify compliance with the Program. **YOU MUST CHECK ONE BOX, SIGN, DATE AND RETURN THE FORM.**

Section 1: Jury Service Program Is Not Applicable to My Business

☐ My business does not meet the definition of "contractor" as defined in the Program as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.

☐ My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

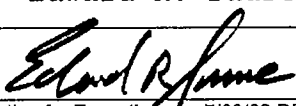
"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

☐ My business is subject to a Collective Bargaining Agreement that expressly provides that it supersedes all provisions of the Program. **ATTACH THE AGREEMENT**

Section 2: Certification of Compliance

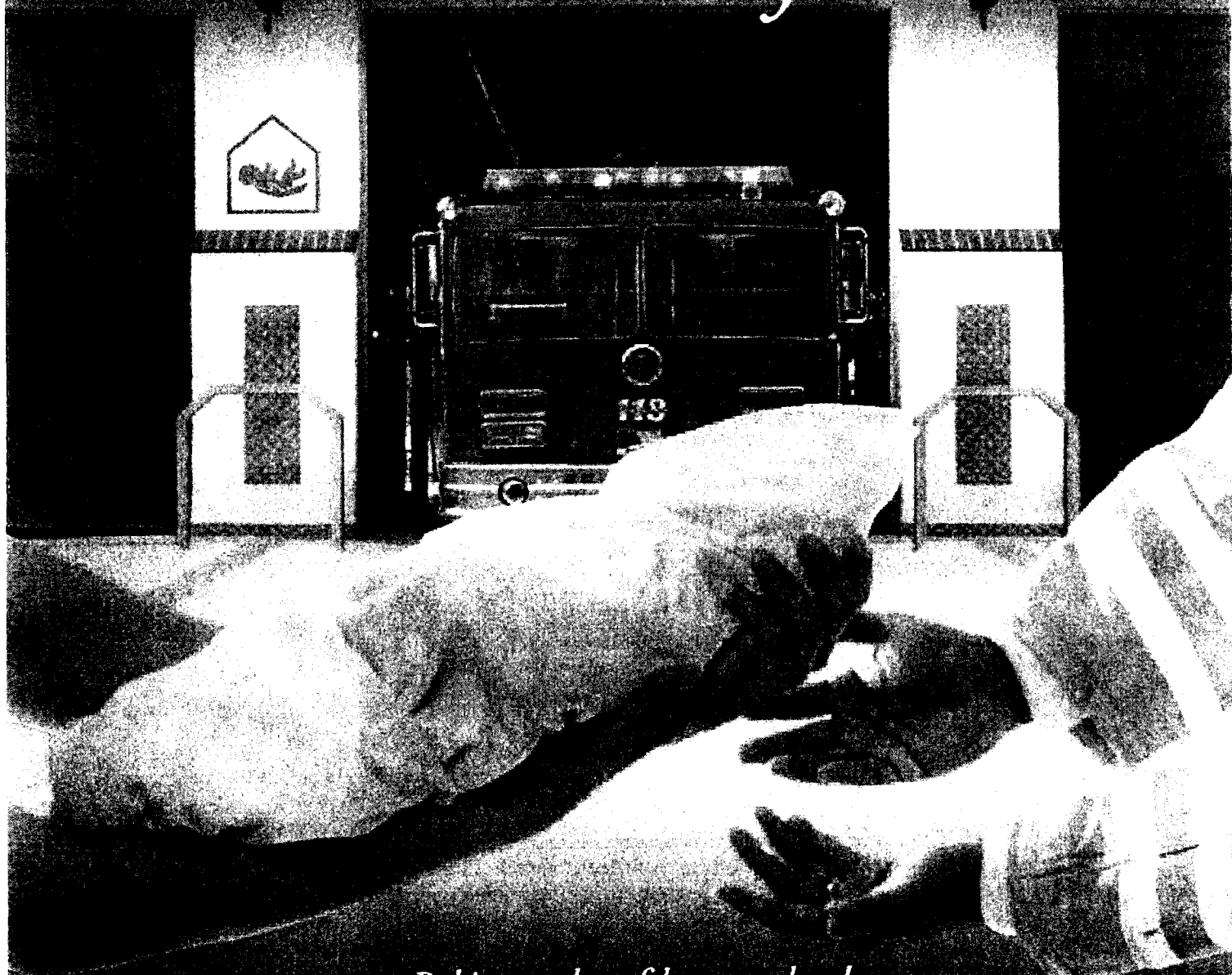
☒ My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name: Edward R. Sause	Title: President
Signature: 	Date: March 10, 2010

ISD Application for Exception rev. 7/23/02 DPW REV. 07/23/03

Safely Surrendered *Baby Law*



*Babies can be safely surrendered
to staff at any hospital or fire station in Los Angeles County*

No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

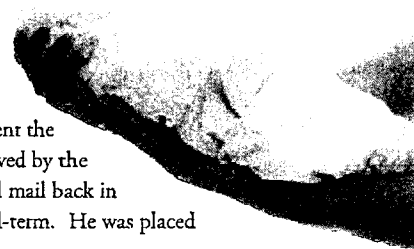
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

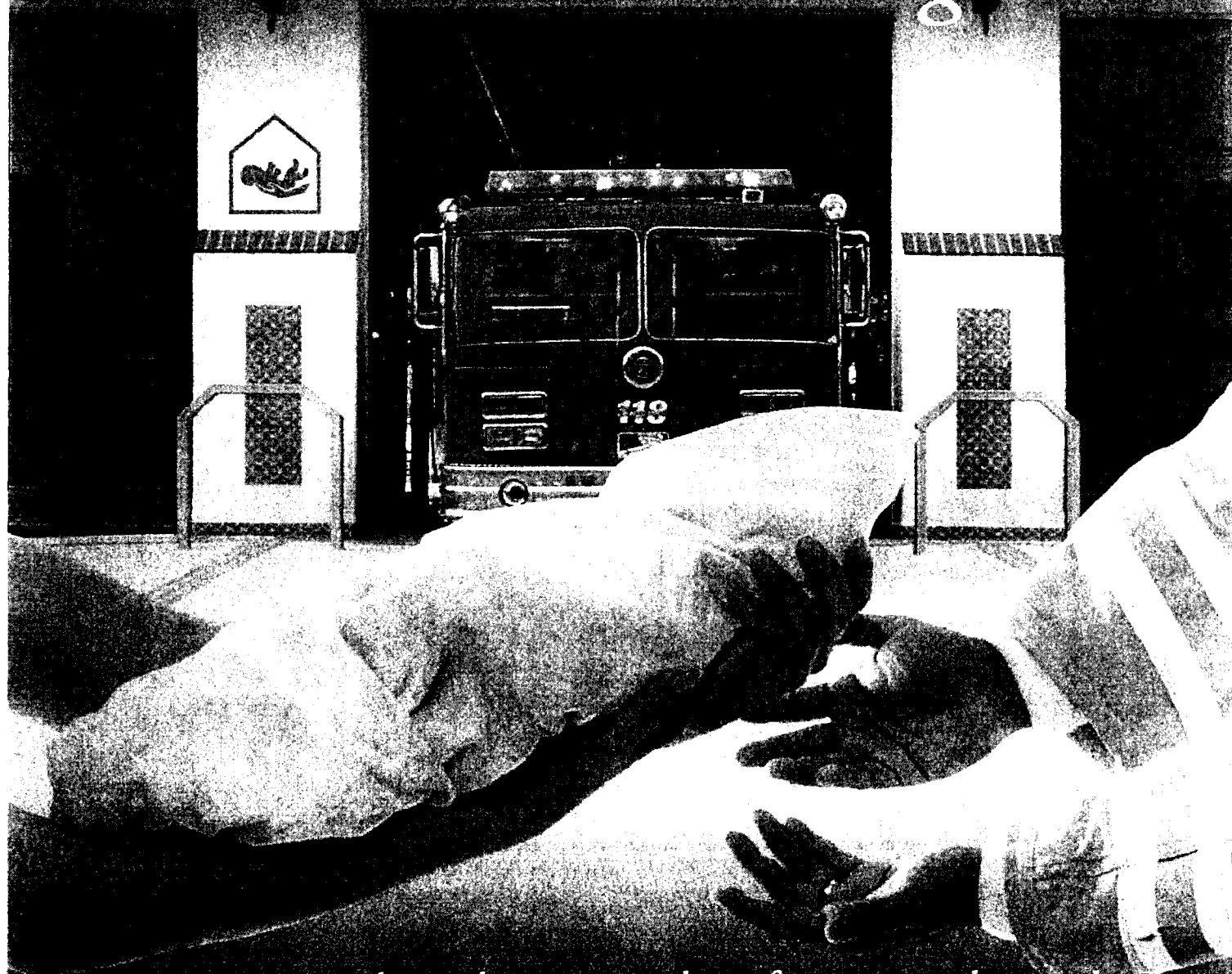
The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal a cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé? No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

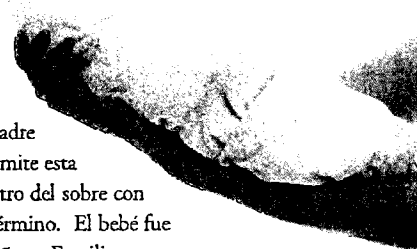
Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 2.206.010 Findings and declarations.
- 2.206.020 Definitions.
- 2.206.030 Applicability.
- 2.206.040 Required solicitation and contract language.
- 2.206.050 Administration and compliance certification.
- 2.206.060 Exclusions/Exemptions.
- 2.206.070 Enforcement and remedies.
- 2.206.080 Severability.

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.

B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:

1. Chief Executive Office delegated authority agreements under \$50,000;
2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
3. A purchase made through a state or federal contract;
4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement
6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
7. Program agreements that utilize Board of Supervisors' discretionary funds;
8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.

B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.

A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.

B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.

C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

EXHIBIT E.4

CHANGE ORDER – DEFAULTED PROPERTY TAX REDUCTION PROGRAM

CONTRACT NO. 64424

1. Change Order

FIVE YRS

In consideration of the renewal for ~~one~~ *five* years of the contract referenced above, the parties agree that effective upon execution of this Change Order by the Contractor, the contract shall be subject to the following terms and conditions, and that this Change Order shall be deemed incorporated in the contract. The remaining terms and conditions of the contract remain in full force and effect.

2. Defaulted Property Tax Reduction Program

This Contract is subject to the provisions of County's ordinance entitled Defaulted Property Tax Reduction Program ("Defaulted Tax Program") as codified in Sections 2.206 of the Los Angeles County Code (Attachment 1).

3. Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through any contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

4. Termination for Breach of Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 3 above, shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

Agreed to on behalf of the Contractor by:

Print Name: <i>EDWARD R. SAUSE</i>	Title: <i>PRESIDENT</i>
Signature: <i>[Handwritten Signature]</i>	Date: <i>05-13-10</i>